



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Data Center Operations

Department of Information Technology

Report Number:
084-0580-06

Released:
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The Department of Information Technology's (DIT's) Data Center Operations (DCO) provides centralized hosting services for all State of Michigan agencies. These services include the acquisition of hardware and software and operational and technical support for the State's mainframes and over 2,000 servers. In addition, DCO is responsible for monitoring system performance and recommending improvements in security, performance, and responsiveness to meet future computing demands in a timely manner.

Audit Objective:

To assess DIT's effectiveness in administering the State's hosting centers.

Audit Conclusion:

DIT was moderately effective in administering the State's hosting centers. We noted one material condition (Finding 1) and four reportable conditions (Findings 2 through 5).

Material Condition:

DIT had not conducted a comprehensive risk assessment of hosting center operations. Also, DIT did not perform risk assessments routinely or when systems, facilities, or other conditions changed. (Finding 1)

Reportable Conditions:

DIT had not established an effective process for developing and managing service level agreements (Finding 2).

DIT had not developed a formal strategic plan and had not fully developed

operational plans for its hosting center activities (Finding 3).

DIT had not developed formal return on investment and cost-benefit analyses to determine future hosting center alternatives (Finding 4).

DIT did not fully implement effective security practices for the Bull mainframe (Finding 5).

Noteworthy Accomplishments:

DIT has made significant progress in its server room consolidation project. Since 2004, DIT has closed 19 server rooms and migrated 273 servers into one of the State's hosting centers. The project also allowed DIT to salvage 310 servers. DIT informed us that the project includes the following benefits: improved availability of applications due to the increased reliability of the hosting center environment, cost savings from the elimination of hardware and server support costs, and cost avoidance of projected costs to upgrade

physical security and environmental controls at the server rooms to industry standards.

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Audit Objective:

To assess the effectiveness of DIT's efforts to protect the State's hosting centers from physical and environmental threats.

Audit Conclusion:

DIT's efforts to protect the State's hosting centers from physical and environmental threats were moderately effective. We noted one material condition (Finding 6) and one reportable condition (Finding 7).

Material Condition:

DIT had not developed and tested disaster recovery plans for the hosting center facilities (Finding 6).

Reportable Condition:

DIT had not updated or fully developed policies and procedures governing physical security and environmental controls at the State's hosting centers (Finding 7).

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Audit Objective:

To assess the effectiveness of DIT's efforts to control access to the State's data exchange gateway (DEG).

Audit Conclusion:

DIT's efforts to control access to the State's DEG were moderately effective. We noted one material condition (Finding 8).

Material Condition:

DIT had not fully implemented security over the State's DEG (Finding 8).

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Agency Response:

Our audit report contains 8 findings and 9 corresponding recommendations. DIT's preliminary response indicates that it agrees with all of the recommendations and will comply with them.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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